

Climate Change Finance: Why It Matters for Gender Equality

The global community is currently mobilizing billions of dollars to finance the response to climate change. In Copenhagen, developed countries pledged US\$ 30 billion in “fast start” finance from 2010-2012 – with a commitment to increase to US\$ 100 billion annually by 2020. **It is essential that these resources promote sustainable climate-resilient development via policies and programmes that reduce inequalities between women and men and ensure that both are able to successfully address the climate crisis and contribute to its solutions.**

To ensure that climate change finance responds equitably and effectively to the urgent needs of all members of society, **gender issues must be taken into account at all stages**, including in the identification of sources of finance; within the **governance** bodies of climate finance mechanisms; during **planning and implementation**; and in **monitoring and evaluation**.

Sources of finance

In terms of gender equity, not all potential sources of climate finance are equal. While global finance was long-thought to be gender neutral, experience has demonstrated that macroeconomic policies can have unexpected gender dimensions which can inadvertently contribute to structural inequalities and negatively impact women in particular. On the other hand, socially responsible investments can help foster equity. When considering potential sources of climate finance, it is thus critical to analyze and address the implications of different funding sources for gender equality.

Climate finance governance boards and bodies

The structure, policies and priorities put in place by entities governing climate finance can critically impact the direction and manner in which resources flow. It is thus vital that governance bodies adopt gender equality as a guiding principle; ensure equitable representation of affected stakeholder groups at the board level; draw upon gender equality expertise when making decisions; and implement policies and criteria that respond equitably to the needs of both women and men.

Planning and implementation

The project planning phase is a multi-pronged process which involves analyzing the problem, identifying potential solutions, delineating objectives and activities, and allocating a budget in alignment with these decisions. The success of any project or programme depends on a thorough, multi-level analysis at each stage and actively integrating the needs of both women and men in this process, which can help ensure that their various needs and contributions are fully incorporated. To ensure that these efforts make a difference on the ground, it is critical that gender issues are identified in the planning process and carried through to implementation.

Monitoring and evaluation (M & E)

Monitoring and evaluation is an important management task to ensure results. It supports informed decision-making, promotes transparency and accountability, and contributes to the full cycle of continuous learning and improving efforts on the ground. Strong monitoring and evaluation frameworks allow for the identification of areas which are achieving success while also highlighting those which are lagging behind. With the appropriate indicators in place, it can also highlight unexpected impacts, such as increased workloads, decreased decision-making power for women or other stakeholders, or other unexpected transfers of power. Once these impacts have been identified, it becomes possible to strengthen successful practices or put corrective or mitigating measures in place, as necessary.



Recommendations

Sources of finance

- Analyze and address the gender implications of public and private funding sources
- Dedicate *public finance*, commensurate with the need and scale decided by the United Nations Framework Convention on Climate Change, which will be necessary to meet the needs of the most vulnerable communities; a combination of innovative mechanisms to generate public finance will be needed
- Ensure that any private finance flows to climate adaptation and mitigation are also gender sensitive by, for example, providing incentives and encouraging the private sector to respect principles of social responsibility and gender equality
- Ensure balanced and equitable resources for both adaptation and mitigation and ensure that funding for adaptation is in grants

Governance bodies

- Ensure that the fund's governing principles promote equitable access and benefits for women and men
- Include gender mainstreaming within the fund's operational guidelines
- Require gender analysis as a prerequisite for project approval and funding
- Include relevant stakeholders, including women's groups, and gender experts and ensure equal representation of women and men on governing boards and bodies

Planning and implementation

- Conduct a gender analysis to identify the needs of both women and men; utilize this information to establish goals and objectives and allocate resources accordingly
- Include technical, social and gender expertise throughout the process
- Ensure women's active involvement in decision-making throughout the process
- Utilize the planning and implementation process to build capacities of local women and men

Monitoring and evaluation

- Establish sex-disaggregated baseline data
- Develop indicators based upon the needs and priorities identified in the gender analysis
- Monitor gender-specific impacts of all projects and programmes
- Involve local women and men in the monitoring and evaluation processes

General principles

- Ensure inclusive stakeholder engagement at all stages of decision-making
- Provide incentives that promote access to funding for national and sub-national women's groups and civil society organizations
- Prioritize capacity building of all stakeholders throughout the process
- Allocate sufficient financial resources to adequately implement the above recommendations